

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of:

UNIVERSAL BANK,  
Orange, CA

Respondent.

Re: Order No. SF-96-015

Dated: November 22, 1996

STIPULATION AND CONSENT TO ISSUANCE OF AN  
ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Universal Bank ("Universal" or "the Institution"), that OTS is of the opinion that grounds exist to initiate an administrative civil money penalty assessment proceeding against the Institution pursuant to 12 U.S.C. § 1818(1)(2).<sup>1</sup>

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue Orders of Assessments of Civil Money Penalties wherein the respondent has consented to the issuance of the Order;

WHEREAS, Universal Bank desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to jurisdiction, paragraph 1, below, which is admitted, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Universal Bank is a "savings association" within the meaning of Section 3(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.

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<sup>1</sup> All references to the U.S.C. are as amended.

§ 1813(b) and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" with jurisdiction over the Institution and persons participating in the conduct of the affairs thereof.

(c) The Director of the OTS has the authority to bring an administrative proceeding for civil money penalty assessment against the Institution pursuant to 12 U.S.C. § 1818(i)(2).

2. OTS Findings of Fact. The OTS finds that the Institution violated 12 C.F.R. § 563.170(c) which requires, inter alia, the Institution to establish and maintain such records "of all business it transacts," and further, that such records "at all times be available for such examination and audit wherever any of said records ... may be," by failing to ensure that a series of appraisal reports received in or about February, 1995, were placed in appropriate files for review by OTS examiners and the Institution's independent auditors.

3. Consent. Universal Bank consents to the issuance by the OTS of the accompanying Order. Universal Bank further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of the law.

4. Finality. The Order is issued under 12 U.S.C. § 1818. Upon its issuance by the Regional Director or designee for the West Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. (a) Universal Bank waives the following:

(a) the right to be served with a written Notice of Assessment of Civil Money Penalty provided by 12 U.S.C. § 1818(1)(2)(E)(1);

(b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(e);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law or under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

The Institution does not waive the foregoing rights in the event the OTS brings an action based on matters not discovered during the formal examination, as set forth in paragraph 6(a).

6. Other Actions, Proceedings and Parties. This Stipulation and the accompanying Order are issued solely to settle this proceeding. By entering into this Stipulation and Consent, Universal Bank acknowledges and agrees explicitly to the following provisions:

(a) The OTS and Universal Bank acknowledge and agree that the imposition of civil money penalties by the OTS, and the payment of such by the Institution, are for the purpose of resolving the administrative civil money penalty assessment proceeding and all other potential administrative actions within the jurisdiction of the OTS relating to matters known or discovered by

the OTS during the formal examination of Universal Bank, pursuant to OTS Order No. SF-96-003, up to the date of entry of the Order.

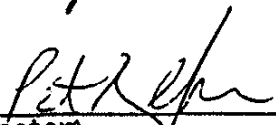
(b) This Stipulation, the Order and payment by Universal Bank of any monies or providing any other financial relief as contemplated by the Order, does not release, discharge, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Universal Bank or any of its institution-affiliated parties that arise pursuant to this action or otherwise, and that may be or have been brought by the Federal Deposit Insurance Corporation, Resolution Trust Corporation, U.S. Department of Justice, or any other governmental entity other than the OTS.


WHEREFORE, Universal Bank, by its Board of Directors, executes this Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalties, intending to be legally bound thereby.

UNIVERSAL BANK  
Orange, California

BY ITS BOARD OF DIRECTORS:

  
\_\_\_\_\_  
Director                      Date 10/24/96

  
\_\_\_\_\_  
Director                      Date 10-23-96

  
\_\_\_\_\_  
Director                      Date 10.29.96

  
\_\_\_\_\_  
Director                      Date 10/29/96

J. F. Robinson 10/29/96  
Director Date

William Chang 10/29/96  
Director Date

[Signature] 10/30/96  
Director Date

ACCEPTED BY:

[Signature]  
John F. Robinson  
Regional Director, West Region

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Dated: November 22, 1996

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTY


WHEREAS, Universal Bank has executed a Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalty ("Stipulation"), which is incorporated herein by this reference; and

WHEREAS, Universal Bank, in the Stipulation, has consented to the issuance of this Order of Assessment of Civil Money Penalties pursuant to 12 U.S.C. § 1818(i).

NOW THEREFORE, IT IS ORDERED that within ten (10) days of the effective date of this Order, Universal Bank shall pay to the Office of Thrift Supervision ("OTS") the sum of ten thousand dollars (\$10,000.00), by tendering a cashier's check in that amount made payable to the Treasurer of the United States. The check shall be sent, together with a cover letter stating the name of the association and the Order number, and a copy of the Order, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552. A copy of the Institution's cover letter to the OTS Controller's Division, and a copy of the check shall be sent to Paul K. Hutson, Attorney, Office of Thrift Supervision, West Region, 18300 Von Karman Avenue, Suite 800, Irvine, CA 92612, and Suzanne Burwasser, Office

of Thrift Supervision, One Montgomery Street, Telesis Tower, Suite 400, San Francisco, CA 94104.

OFFICE OF THRIFT SUPERVISION

By:   
John F. Robinson  
Regional Director, West Region